

The Influence of Financial Technology on The Financial Behavior of Generation Z in Nunleu Village Kupang City

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ABSTRACT

This study aims to examine the effect of financial technology on the financial behavior of Generation Z in Kelurahan Nunleu, Kota Kupang, a region with the lowest financial literacy and inclusion indices in Indonesia, in order to test whether the direction and strength of this relationship, largely established in high-literacy Java-based samples, hold under structurally low financial literacy conditions. A quantitative explanatory design was employed. The population comprised 137 Generation Z individuals in Kelurahan Nunleu, from which a sample of 102 respondents was determined using the Slovin formula (cross-checked against the Krejcie-Morgan table) and selected through simple random sampling. Data were collected via a structured Likert-scale questionnaire and analyzed using simple linear regression, preceded by validity, reliability, and classical assumption tests. Financial technology was found to have a positive and significant effect on financial behavior ($b = 0.388$; $t = 4.083$; $p < 0.05$), supporting the hypothesis. However, the coefficient of determination was relatively limited ($R^2 = 0.143$), suggesting that financial technology functions more as a partial trigger than as the dominant determinant of financial behavior, consistent with the theoretical proposition that financial literacy operates as a boundary condition within the integrated Theory of Planned Behavior–Technology Acceptance Model framework. This study extends the TPB-TAM synthesis to a structurally low-literacy, non-student population in eastern Indonesia, a context absent from prior literature, thereby testing the external validity of an established behavioral model under contrasting structural conditions and offering evidence-based implications for regionally targeted financial literacy policy.

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INTRODUCTION

The global financial transformation is increasingly integrated with digital technology, including in Indonesia. The penetration of financial technology (fintech) in Indonesia has reached 85.75 percent of the population. Meanwhile, the financial literacy index increased from 49.68 percent in 2022 to 69.7 percent in 2023. However, the 2024 National Survey on Financial Literacy and Inclusion (SNLIK) recorded financial literacy at only 65.43 percent, while financial inclusion reached 75.02 percent. This gap indicates that public access to financial services is developing faster than their readiness to manage them. This gap is particularly relevant for Generation Z, the group that uses financial technology most intensively. A study of students from the Faculty of Economics in Malang found that the development of fintech affects the financial literacy and management behavior of Generation Z. The gap between inclusion and literacy underscores the need for

empirical testing of fintech's influence on the financial behavior of Generation Z. Generation Z was chosen as the focus because this generation is most affected by the digital transformation.

The disparity in financial inclusion and literacy varies by region; the BRI Research Institute (2023) ranks East Nusa Tenggara as the province with the lowest financial literacy index, around 36 percent, and also the lowest financial inclusion index, around 63 percent. This condition is important because research on the influence of fintech on Generation Z's financial behavior has mostly been conducted in regions with relatively high literacy, such as East Java, which shows the influence of literacy, attitudes, and financial self-control on the financial management behavior of students using Shopee Paylater (Andana & Yuniningsih, 2023), Sumedang Regency, which shows the influence of financial literacy, financial attitudes, financial technology, and lifestyle on Generation Z (Andriana & Desmiza, 2024), and Surabaya, which shows the role of financial attitudes with literacy and fintech as accompanying variables (Waninghiyun & Haryati, 2024). The dominance of research in Java leaves the question of whether this pattern applies to Generation Z in areas with low financial literacy and inclusion. In this context, Nunleu Village, Kupang City, becomes a strategic location to test the limits of generalization while also filling the research gap in eastern Indonesia. An explanation of the potential shift in the relationship between fintech and financial behavior requires a theoretical framework capable of elucidating the underlying psychological and behavioral mechanisms.

Theory of Planned Behavior (TPB) is relevant to explain this phenomenon because it views behavior as the result of behavioral intention shaped by attitudes, subjective norms, and perceived behavioral control (Ajzen, 1991). In this study, financial technology does not immediately change the financial behavior of Generation Z, but it influences attitudes toward the ease of digital transactions, social norms from family, peers, and digital trends, as well as the perception of control over financial decisions. The mechanism is supported by research on the financial management behavior of Generation Z users of financial technology (Idris, 2025) and the adoption of fintech by Generation Z in Indonesia (Widiharlina et al., 2023). However, the TPB does not specifically explain how the technical characteristics of technology, such as features and the convenience of fintech services, shape attitudes as behavioral determinants, thus requiring complementary theories to explain this mechanism.

Operationally, the research gap lies in the untested consistency of the influence of financial technology on the financial behavior of Generation Z in the context of low financial literacy and inclusion. Previous research has generally been conducted on populations in areas with relatively better financial literacy conditions and has examined fintech as a factor influencing financial behavior without considering the possibility that technological ease can create a perception of control that does not match individuals' actual abilities. Thus, it is not yet known whether the relationship between fintech and financial behavior found in that context remains applicable to Generation Z in East Nusa Tenggara, specifically in Nunleu Village, Kupang City. This gap is what this research tests by placing financial technology as a variable that is believed to influence the financial behavior of Generation Z in the context of limited financial literacy and inclusion.

The synthesis of the Theory of Planned Behavior (TPB) and the Technology Acceptance Model (TAM) still leaves theoretical gaps because it assumes that perceived behavioral control is formed proportionally to the individual's actual financial capacity (Ajzen, 1991; Davis, 1989), while studies on Generation Z are generally conducted on populations with relatively adequate financial literacy (Idris, 2025). This condition raises the question of whether the convenience of fintech always results in better financial control and behavior when financial literacy capacity is low. This question becomes increasingly important because empirical evidence shows contradictory effects of fintech: positive toward the financial literacy and management behavior of Generation Z in Malang (Rachmatulloh et al., 2024), negative and significant toward the financial behavior of students at UIN Maulana Malik Ibrahim Malang (Siskawati & Ningtyas, 2022), and not significant among finance concentration students at Universitas Khairun (Baalubi et al., 2026). The contradiction indicates that the influence of fintech is not yet universal and may depend on the characteristics of the population and the context of the testing.

However, previous research has still concentrated on regions with relatively high financial literacy, such as East Java, Central Java, and West Java (Andana & Yuniningsih, 2023; Andriana & Desmiza, 2024), while East Nusa Tenggara, as the province with the lowest national financial literacy index (BRI Research Institute, 2023), has not been tested with a similar model. This contextual gap is reinforced by the dominance of students as the unit of analysis with purposive sampling in higher education environments (Andana & Yuniningsih, 2023; Baalubi et al., 2026), so the findings do not yet represent Generation Z broadly, including

groups that work or do not pursue higher education. Thus, it is not yet known whether the pattern of fintech influence on the student population in relatively high literacy areas remains applicable to non-student Generation Z in the context of low financial literacy. This research fills that gap by examining the influence of financial technology on the financial behavior of Generation Z in Nunleu Village, Kupang City, as a context of non-student communities in East Nusa Tenggara, while also testing the limits of generalization of previous findings and expanding the application of the TPB-TAM in different financial literacy contexts.

This research gap is important to test immediately because the TPB-TAM synthesis has so far been built on the assumption of a certain literacy capacity that has not been verified in low-literacy populations, thus the empirical evidence of risky digital financial behavior remains based on a homogeneous socio-economic context and limits the generalization of the theory. The limitations of this evidence also impact the policies of the OJK and the NTT regional government, as the digital financial education programs risk adopting models from Java Island that may not be suitable for the conditions in NTT, where the financial literacy index is only around 36 percent (BRI Research Institute, 2023). The mismatch of intervention models can increase the vulnerability of Generation Z to digital consumer products such as paylater and online loans because access to technology is developing without being matched by adequate literacy capacity. The risk is further heightened because the expansion of digital infrastructure and fintech services outside Java is occurring faster than the improvement of regional financial literacy (OJK & BPS, 2024). Therefore, this research is necessary to test the relevance of the TPB-TAM in the context of low literacy while also providing empirical evidence that can support financial literacy policies more aligned with the characteristics of Generation Z in NTT.

The most relevant comparative study is the research on finance management concentration students at Khairun University, which found that financial literacy and financial technology do not significantly affect financial behavior (Baalubi et al., 2026). Although the variable structures are aligned, this study has three fundamental differences: (1) context, the Khairun study focuses on finance students with relatively high financial literacy, whereas this study targets the non-student community in Nunleu Village with different financial literacy characteristics; (2) concept, this study not only examines the relationship between fintech and financial behavior but also tests the boundary condition of the TPB-TAM synthesis, specifically whether the perception of control over fintech ease remains a rational predictor when financial literacy is low or becomes a source of financial decision-making bias; and (3) method, this study uses a territorial unit of analysis at the village level, rather than purposive sampling within the campus population, thus better representing the diversity of Generation Z outside the academic environment. Thus, this research is not merely a replication in a different location, but an effort to explain the contradictions of previous findings through a different context of financial literacy. If a weakening or reversal of the influence of fintech is found, the findings could expand the TPB-TAM synthesis by placing financial literacy as a boundary condition, rather than just a control variable. That contribution directs the research toward the question: to what extent and in what direction does financial technology influence the financial behavior of Generation Z in conditions of low financial literacy?

Based on the aforementioned description, this study aims to examine and analyze the influence of financial technology on the financial behavior of Generation Z in Nunleu Village, Kupang City, specifically to determine whether the strength and direction of this influence are consistent with findings in a high financial literacy population or change in the context of low financial literacy. Theoretically, this research is expected to expand the synthesis of the Theory of Planned Behavior (TPB) and the Technology Acceptance Model (TAM) by placing financial literacy as a boundary condition that can determine the applicability of perceived behavioral control mechanisms in the use of financial technology. Practically, the research findings can serve as a basis for the Financial Services Authority (OJK) of NTT Province and the government of Kupang City in designing digital financial literacy education that aligns with the characteristics of the local community, while also providing input for fintech providers to develop more educational features that are responsive to the risks of financial decisions made by users with low literacy. This research uses an explanatory quantitative approach with Generation Z in Nunleu Village as the unit of analysis outside the formal academic environment. Thus, this research views the relationship between the acceleration of financial technology and financial behavior not as a universal relationship, but rather as a relationship whose validity may depend on the underlying foundation of financial literacy.

LITERATURE REVIEW

Theory of Planned Behavior (TPB)

The placement of the Theory of Planned Behavior (TPB) as a grand theory is a logical consequence of the structure of the behavior being studied. Ajzen (1991) explains that actual behavior is influenced by behavioral intention, which is formed by three main determinants, namely attitude toward the behavior, subjective norm, and perceived behavioral control (PBC), each of which represents an individual's evaluation of the consequences of behavior, social pressure, and perception of their ability and resources to act.

This framework is relevant for explaining the financial behavior of Generation Z fintech users, as decisions to use digital wallets, paylater services, or manage financial records are influenced by evaluations of benefits and risks, digital social pressure, and beliefs in their ability to manage financial consequences. However, PBC becomes a critical point in this research because Ajzen (2020) asserts that PBC will be an accurate predictor of behavior if the perception of control reflects the actual control truly possessed by the individual.

That prerequisite becomes problematic in the context of low financial literacy, as the perception of being able to control financial decisions does not necessarily align with the actual capacity to understand and manage the consequences of using fintech.

Technology Acceptance Model (TAM)

If the TPB explains how intentions lead to behavior, the TAM complements this framework by explaining how attitudes toward technology are formed. Davis (1989) explains that technology acceptance is primarily influenced by two beliefs: perceived usefulness (PU), which is the belief that technology enhances performance or efficiency, and perceived ease of use (PEOU), which is the belief that technology is easy to use without excessive cognitive effort. These two beliefs shape attitudes toward use, which in turn contribute to behavioral intentions within the TPB framework.

The relevance of TAM is becoming stronger in the context of fintech, because these services are indeed designed to highlight ease, speed, and financial benefits. This condition allows PU and PEOU to potentially form highly without undergoing a fully critical evaluation from its users. Davis and Granić (2024) assert that although TAM remains relevant, its application requires integration with contextual variables to explain more complex post-adoption behavior. Therefore, the synthesis of TAM and TPB is necessary so that this research not only explains technology acceptance but also the mechanisms by which that acceptance is translated into financial behavior.

Financial Technology

Regulatively, financial technology (fintech) is an innovation in technology-based financial services that enhances the efficiency, speed, and accessibility of transactions. Its scope now includes payment systems, capital raising, investment, risk management, crypto assets, and various other digital financial activities (Law No. 4 of 2023; POJK No. 13/POJK.02/2018). This expansion of scope affirms that fintech is a multidimensional ecosystem that influences various individual financial activities.

Fintech brings the goals of inclusion and financial literacy, but these goals contrast with the rapid growth of consumer services like Buy Now Pay Later, which grew by 89.20 percent to reach Rp7.99 trillion in August 2024.

In quantitative research, fintech is generally operationalized through two approaches: the intensity of platform usage, or users' perceptions of transaction ease, benefits, security and trust, as well as cost and time efficiency (Fauziyah et al., 2025; Rachmatulloh et al., 2024). This difference in approach is important to note: frequency-based usage measures tend to capture mere exposure to technology, while perception-based measures more accurately represent the cognitive mechanisms explained by TAM through perceived usefulness and perceived ease of use.

Based on these differences, this research positions financial technology as a multidimensional perception construct aligned with TAM, rather than merely the frequency of use. With this position, the influence of fintech on financial behavior can be analyzed through the underlying technology acceptance mechanisms.

Financial Behavior

If financial technology in TAM is positioned as a factor that shapes attitudes toward technology, then financial behavior in TPB is the actual behavior, which is the output of intentions influenced by attitudes, subjective norms, and perceived behavioral control.

Financial behavior reflects a pattern of repeated actions in managing financial resources, including planning or budgeting, controlling the use of money, and consistently setting aside funds (Dewanti & Asandimitra, 2021). Thus, financial behavior is more accurately understood as a pattern of sustainable financial management, rather than merely a momentary financial decision.

Nevertheless, the literature shows that this construct has not been operationalized uniformly. A bibliometric study by Ulum and Yuhertiana (2024) found three main clusters in financial behavior research, namely financial literacy, digitalization, and lifestyle, while Wahab and Rofiuddin (2025) emphasized the dimensions of attitudes toward money, consumer lifestyle, and financial planning. These differences in dimensions have the potential to explain the contradictory findings regarding the relationship between fintech and financial behavior, as technology can simultaneously facilitate transactions and digital savings, but on the other hand, it can also increase consumption or weaken expenditure control.

Based on this variation, this study positions Generation Z's financial behavior as a multidimensional construct that includes three aspects: planning/budgeting, expenditure control including the use of instant financing based on fintech, and an orientation toward saving or investing. With this conceptualization, the influence of financial technology can be tested more comprehensively without being reduced to just one dimension of behavior. Based on this conceptualization, the subsequent discussion is directed toward empirical evidence regarding the relationship between financial technology and financial behavior as the basis for hypothesis formulation.

Relationship Between Variables and Hypothesis Development

The relationship between financial technology and financial behavior in this study is built on the causal mechanism of the TPB-TAM synthesis, not merely based on previous empirical findings. When fintech is perceived as useful and easy to use (perceived usefulness and perceived ease of use), this perception forms a positive attitude toward the use of technology, which in turn contributes to financial intentions and behaviors.

This mechanism is reinforced by features such as recording, categorizing expenses, and bill reminders that can assist in financial management. This is in line with findings regarding the contribution of fintech to the financial literacy and management of Generation Z (Rachmatulloh et al., 2024), as well as the role of financial attitudes in explaining financial behavior through the use of fintech (Waninghiyun & Haryati, 2024). In the context of low financial literacy, these features even have the potential to compensate for the limitations in individual financial management capacity.

However, the same convenience can also lower the barriers to impulsive spending and weaken financial control, as shown by the negative impact of fintech on financial behavior in the study by Siskawati and Ningtyas (2022). Thus, the synthesis of TPB-TAM actually allows for two opposing mechanisms: fintech can serve as a means to strengthen financial management, or it can become a technology that facilitates consumer behavior. The actual direction of the relationship needs to be determined empirically.

Based on the dominance of positive findings in research that uses multidimensional perception-based fintech operationalization, namely ease, benefits, security, and efficiency (Rachmatulloh et al., 2024; Fauziyah et al., 2025; Andriana & Desmiza, 2024), and its alignment with the operationalization of this research, the hypothesis is formulated as follows: Financial technology has a positive and significant impact on the financial behavior of Generation Z in Nunleu Village, Kupang City.

RESEARCH METHOD

This research uses a quantitative approach with a positivist paradigm and explanatory research type to examine the relationship between financial technology and the financial behavior of Generation Z in Nunleu Village through measurement and statistical analysis (Sekaran & Bougie, 2019). The research design is cross-sectional, meaning that data is collected at a single point in time, thus the results depict the relationship between variables during that research period (Hair et al., 2021). The unit of analysis in this study is Generation Z individuals, with financial technology as the independent variable (X) and financial behavior

as the dependent variable (Y). The relationship between these two variables is analyzed using simple linear regression.

The population of this study is Generation Z residing in Nunleu Village, Kupang City, born between 1997 and 2012, and actively using at least one financial technology service in the last six months. Based on local demographic data, the population that meets these criteria amounts to 137 people. The sample size is determined using the Slovin formula with a 5% error rate (Sugiyono, 2022), as follows: $n = 137 / (1 + 137 \times 0.05^2) = 102.04$. Based on those calculations, 102 respondents were determined as the research sample. The sampling was conducted using the simple random sampling technique, as a sampling frame was available that allowed every member of the population to have an equal chance of being selected.

Primary data were collected through a structured questionnaire using Google Form from 102 selected respondents. The questionnaire consists of demographic data, financial technology items, and financial behavior items, all of which are measured using a five-point Likert scale. Respondents were randomly selected from 137 members of the population using a random number generator according to the simple random sampling technique. Before the main data collection, a pilot test was conducted on 30 respondents outside the main sample with equivalent characteristics to test the initial understanding, validity, and reliability of the instrument (Hair et al., 2021). The respondents' compliance with the inclusion criteria was verified through a screening question at the beginning of the questionnaire.

The validity of the instrument is tested using the Pearson Product Moment correlation, with the criteria $r \text{ count} > r \text{ table}$ and a significance value < 0.05 (Hair et al., 2021). Reliability is tested using Cronbach's Alpha, with a value above 0.60 as the minimum reliable threshold and above 0.80 as the very good category (Sekaran & Bougie, 2019). Both tests were conducted through a pilot test with 30 respondents, before the questionnaire was used on 102 main respondents. Items that do not meet the validity criteria will be revised or removed, while items that meet the criteria will be used in the main data collection.

Data were analyzed using SPSS through four stages: classical assumption tests, simple linear regression, coefficient of determination (R^2), and hypothesis testing. The classical assumption tests included normality tests with Kolmogorov-Smirnov (significance > 0.05), linearity tests with the test for linearity, and heteroscedasticity tests with the Glejser test (significance > 0.05). Hypotheses were tested using the t-test at a 5% significance level. H1 is accepted if the significance value < 0.05 and the regression coefficient is positive, or if $t \text{ calculated} > t \text{ table}$ at $df = 100$. The results of the analysis are subsequently interpreted not only based on statistical significance but also on the magnitude of influence and the model's limitations in explaining financial behavior.

RESULTS AND DISCUSSIONS

RESULTS

Respondent Profile

This study involved 102 Generation Z individuals in Nunleu Village, Kupang City, who were selected through simple random sampling from a population of 137 people. The respondents consisted of 53.9% women and 46.1% men, with an age range of 15–28 years and an average age of 21.9 years.

Based on education level, the majority of respondents have a high school/vocational school education (52.0%), followed by bachelor's degree (27.5%) and diploma (15.7%). Based on employment status, 37.3% of respondents are students and 34.3% are already employed.

In terms of fintech service usage, e-wallets are the most widely used service (42.2%), followed by mobile banking (26.5%), paylater (22.5%), and digital investments (8.8%). This composition shows that the use of fintech by respondents is still dominated by daily transaction services, compared to investment services.

Table 1. Respondent Profile

Characteristic	Category	n	%
Gender	Female	55	53.9
	Male	47	46.1
Age	Range 15–28 (mean 21.9)	102	100
Education	Senior High School / Vocational High School	53	52.0
	Bachelor	28	27.5
	Diploma	16	15.7
	Other	5	4.9
Occupation	Student	38	37.3
	Employee	35	34.3
	Entrepreneur	16	15.7
	Not Working Yet	13	12.7
Fintech Type Used	E-Wallet	43	42.2
	Mobile Banking	27	26.5
	Paylater	23	22.5
	Investasi Digital	9	8.8

Source: Primary Data, 2026

Validity and Reliability of Instruments

The validity test for 12 items of the financial technology variable (X) and 9 items of the financial behavior variable (Y) was conducted through Pearson Product Moment correlation between the score of each item and the total score of its dimension. All items in both variables were declared valid, with corrected item-total correlation coefficients ranging from 0.674 to 0.751 for the financial technology variable, and from 0.616 to 0.776 for the financial behavior variable. All those values are significant at $p < 0.05$.

Reliability testing using the Cronbach's Alpha coefficient resulted in a value of 0.935 for the financial technology variable and 0.914 for the financial behavior variable. Both values far exceed the threshold of 0.80, so both variables are categorized as having very good internal consistency.

Table 2. Validity and Reliability Test Result

Variable	Items	Item-Total r Range	Sig.	Cronbach's Alpha	Status
Financial Technology (X)	12	0.674 – 0.751	$p < 0.05$	0.935	Valid & Reliable
Financial Behavior (Y)	9	0.616 – 0.776	$p < 0.05$	0.914	Valid & Reliable

Source: SPSS Output Processed, 2026

Classic Assumption Test

The normality test using the Kolmogorov-Smirnov test on the regression model residuals resulted in a statistical value of 0.042 with a significance of 0.992 (>0.05). This value indicates that the data residuals are normally distributed.

The linearity test through the test for linearity produced an F-change value of 0.546 with a significance of 0.462 (>0.05), confirming that the relationship between financial technology and financial behavior is linear.

The heteroscedasticity test using the Glejser test produced a significance value of 0.717 (>0.05) on the coefficient of variable X against the absolute residual value. This result indicates that the residual variance is homogeneous (homoskedastic).

The three test results confirm that the data meet all the classical assumption requirements necessary for simple linear regression analysis.

Table 3. Classic Assumption Test Result

Test	Statistic	Sig. (p)	Conclusion
Normality (Kolmogorov–Smirnov)	0.042	0.992	Residuals normally distributed
Linearity (Test for Linearity, F-change)	0.546	0.462	Linear relationship confirmed
Heteroscedasticity (Glejser)	t-test on resid	0.717	Homoscedastic

Source: SPSS Output Processed, 2026

Simple Linear Regression Analysis and Hypothesis Testing

Simple linear regression analysis yields the equation $Y = 2.007 + 0.388X$, which means that each one-unit increase in financial technology score is associated with a 0.388 unit increase in financial behavior score. The correlation coefficient (R) value of 0.378 indicates a moderate strength of the relationship. Meanwhile, the coefficient of determination (R^2) value of 0.143 shows that financial technology can explain 14.3 percent of the variation in the financial behavior of Generation Z in Nunleu Village, while the remaining 85.7 percent is explained by other factors outside this research model.

The F-test results show a calculated F value of 16.67 with a significance of 0.001 (<0.05). This result means that the regression model used is fit to predict financial behavior based on financial technology.

The t-test results show a t-value of 4.083 with a significance of 0.001 (<0.05), greater than the t-table value at degrees of freedom (df) = 100 of 1.984, with a positive direction of the regression coefficient. Based on the hypothesis testing criteria established in the research methods chapter, H1 is accepted: financial technology has a positive and significant impact on the financial behavior of Generation Z in Nunleu Village, Kupang City.

Table 4. Simple Linear Regression Results

Model	B	Std. Error	T-Value	Sig.
(Constant)	2.007	0.325	6.171	0.000
Financial Technology (X)	0.388	0.095	4.083	0.000

Source: SPSS Output Processed, 2026

Table 5. Model Summary and ANOVA

R	R Square	F-Value	Sig. F	Decision
0.378	0.143	16.67	0.001	H1 accepted (positive & significant)

Source: SPSS Output Processed, 2026

DISCUSSION

The finding that financial technology has a positive and significant impact on the financial behavior of Generation Z in Nunleu Village ($b = 0.388$; $p = 0.0001$) is in line with the findings on Generation Z in Malang, which also confirm the positive impact of fintech development on financial literacy and management (Rachmatulloh et al., 2024). These findings are also consistent with the pattern in research that positions the fintech construct as a multidimensional perception, not merely the frequency of use (Fauziyah et al., 2025). The consistency of this influence direction becomes a theoretically important finding precisely because it occurs in a structurally different context from the referenced studies. The Generation Z population in regions with the lowest national financial literacy index (BRI Research Institute, 2023) did not show a reversal in the direction of influence. As a comparison, research on students at UIN Maulana Malik Ibrahim Malang, who have relatively better financial literacy, actually found a negative influence of fintech on financial behavior (Siskawati & Ningtyas, 2022). These findings indicate that the "structural compensation" pathway is more dominant than the "consumptive disinhibition" pathway that was a concern in the literature review section, at least in this research sample. The structural compensation pathway referred to is a condition where fintech assistance features, such as automatic recording, bill reminders, and expense categorization, support the financial management capacity of individuals with low literacy.

The coefficient of determination value of only 0.143 cannot be interpreted as a simple confirmation of the hypothesis. This value actually reinforces the conceptual tension that has been built in the literature review chapter. Akbar's (2023) research on students at Budi Luhur University found that the influence of fintech is significant simultaneously, but not significant partially when standing alone without financial literacy as a companion. This pattern is consistent with the findings of this study, where financial technology can only

explain 14.3 percent of the variation in the financial behavior of Generation Z Nunleu, while the remaining 85.7 percent is determined by factors outside the model. The previously synthesized literature on TPB-DFL (Rismawati & Fadila, 2025) suggests that the dominant factors are likely digital financial literacy and self-control, rather than mere random variables outside the model. In other words, financial technology appears to act as a trigger for weak financial behavior when standing alone, rather than as a primary determinant. This pattern actually confirms the theoretical assumption that perceived behavioral control (PBC) within the TPB framework only functions optimally when supported by adequate literacy capacity (Ajzen, 2020). In populations with limited literacy, such as the Nunleu Village, the PBC formed from the convenience of fintech likely does not fully reflect individuals' actual control over their own finances.

The theoretical implications of these findings reaffirm the novelty argument presented in the introduction chapter. The results of this study neither reject nor accept the raw synthesis of TPB-TAM, but rather show that the model remains valid in terms of the direction of influence (positive) in the context of low literacy, albeit with a much weaker explanatory power than expected from a full two-construct model. These findings confirm that financial literacy capacity serves as a boundary condition that moderates the strength of the relationship between fintech and financial behavior, rather than the direction of the relationship.

The practical implication, as projected in the urgency section of the research, is that policy interventions relying solely on the expansion of fintech access without being complemented by digital financial literacy programs targeted at low-literacy populations will result in limited improvements in financial behavior. This is reflected in the small proportion of variance explained by fintech alone in this study. Therefore, the Financial Services Authority and the government of Kupang City need to position digital financial literacy as a prerequisite, not just a complement, to every program aimed at expanding digital financial inclusion in areas with structural characteristics similar to Nunleu Village.

CONCLUSION

This study concludes that financial technology has a positive and significant impact on the financial behavior of Generation Z in Nunleu Village, Kupang City, thus H1 is accepted. These findings indicate that in the context of low financial literacy, the benefits and ease of fintech features tend to more dominantly support financial management rather than encourage consumptive behavior. However, the R^2 value of 0.143 indicates that financial technology only explains 14.3 percent of the variation in financial behavior, making it not the sole determinant. This indicates that the relationship between fintech and financial behavior is also influenced by other contextual factors, including financial literacy capacity. This research also expands the empirical evidence regarding the relationship between fintech and financial behavior among Generation Z in eastern Indonesia, which has been relatively limited in the previous literature.

Based on the research conclusions, there are three recommendations. First, the OJK and the government of Kupang City need to integrate the expansion of fintech access with digital financial literacy programs specifically targeting Generation Z, considering that fintech only explains 14.3 percent of the variation in financial behavior. Second, fintech service providers need to strengthen educational features within the application, such as in-app financial coaching and spending notifications, as part of the main product design to help users manage their finances better. Third, further research is recommended to test digital financial literacy or self-control as moderator or mediator variables and to expand the sample coverage to other villages or districts in East Nusa Tenggara to examine the consistency of the findings in a broader population.

This study has four limitations. First, the cross-sectional design only depicts the relationship between financial technology and financial behavior at a single point in time, thus not capturing behavioral changes longitudinally. Second, the use of simple linear regression with a single predictor does not allow for the testing of financial literacy and self-control as accompanying variables, so the discussion of boundary conditions remains theoretical, not empirical. Third, the sample of 102 respondents from one subdistrict limits the generalization of the findings to Generation Z in other regions with different socio-economic

characteristics. Fourth, the use of online self-report questionnaires has the potential to cause social desirability bias, especially in questions regarding expenditure control and saving habits.

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